

INSTRUCTIONS FOR THE IOWA RACING AND GAMING COMMISSION APPLICATION PROCESS TO ESTABLISH A GAMBLING STRUCTURE

This questionnaire has been divided into seven (7) sections. The applicant is instructed to maintain this format in preparing the application. Each section shall be clearly tabbed.

This application shall be considered a public record under Iowa Code Chapter 22, subject to exclusions for confidential records allowed under section 7. Other than the portions of this application designated as confidential, an applicant may request other portions be designated as confidential by typing "Confidential" in the lower right hand corner of the applicable page. Include an explanation for the request, citing the authorizing Iowa Code reference. The Iowa Racing and Gaming Commission (Commission) cannot guarantee that a request will be granted.

Confidential pages should be presented under separate cover.

Enclose a non-refundable application fee of \$25,000.00 payable to the Commission and an initial fee of \$30,000.00 payable to the Iowa Division of Criminal Investigation as a deposit towards the cost of the background investigation of your organization and key individuals.

Background investigation forms should be submitted to the Commission for forwarding to the Department of Public Safety.

An entity shall pay an applicable license fee if awarded a license to conduct gambling games. One-fifth of the fee is payable immediately upon the granting of the license with one-fifth of the fee payable prior to each anniversary date for the following four years. The license fee is twenty million dollars located in a county, with a population of one hundred thousand or more. Population is based on the most recent federal decennial census. (Iowa Code Section 99F.10, subsection 7) As the Commission is accepting applications in Linn County, the most recent federal decennial census indicates a population of 211,226.

**IOWA RACING AND GAMING COMMISSION
LICENSE APPLICATION
TO ESTABLISH A GAMBLING STRUCTURE**

The undersigned hereby makes application for a license from the Iowa Racing and Gaming Commission (Commission) for the operation of a gambling structure which gambling games are conducted, pursuant to Iowa Code Section 99F and the Rules and Regulations of the Commission.

Applicant (Operator):

Applicant (Qualified Sponsoring Org.):

Business Address:

Business Address:

Telephone Number:

Telephone Number:

E-Mail:

E-Mail:

An application for a gambling structure license is seeking the granting of a privilege. The burden of proving qualifications for the privilege to receive any license is on the applicant at all times. An applicant must accept all risks of adverse public notice, public opinion, embarrassment, criticism, or financial loss which may result from action with respect to an application. An applicant, its officers, directors, shareholders, partners and personnel members, expressly waive any claim for loss, expense or damage against the Commission, its members, staff and personnel resulting from the application process. Applicants further covenant and agree to hold harmless and indemnify the Commission from any claim arising from any action of the Commission in connection with the application.

Applicant (Operator):

Applicant (Qualified Sponsoring Org.):

Agent Signature:

Agent Signature:

Agent Name- Printed:

Agent Name- Printed:

Agent Title:

Agent Title:

Date:

Date:

NOTE: The application must be signed by both the qualified sponsoring organization and operator.

STATE OF IOWA:

: SS:

COUNTY OF :

_____, being duly sworn, says that he/she is the agent of _____, an applicant for a gambling structure license from the Commission; that he/she has read the foregoing application, the attached disclosure statement consisting of _____ pages and attachments _____ through _____ thereto and knows the contents thereof; that the same is true as to his/her own knowledge; except as to those matters therein stated on information and belief; and as to those matters he/she believes them to be true.

Applicant (Operator) Signature

Applicant Name- Printed

Subscribed and sworn to before me this
_____ day of _____, 201__.

Applicant (Qualified Sponsoring Org.)

Applicant Name - Printed

Notary Public

NOTE: The statement must be signed by both the qualified sponsoring organization and operator.

IOWA RACING AND GAMING COMMISSION DISCLOSURE STATEMENT QUESTIONNAIRE

This questionnaire is to be answered by applicants for a gambling structure license from the Iowa Racing and Gaming Commission (Commission). Gambling structure license applicants are those seeking a license from the Commission for operation of a gambling structure which gambling games are conducted pursuant to Iowa Code Chapter 99F. The Commission may require any additional information it deems necessary from the applicant for the purpose of ruling on the license application.

A gambling structure license application shall be deemed complete upon the submission to the Commission of the gambling structure license application and disclosure statement; verified responses to questions posed by the questionnaire; the completed Division of Criminal Investigation background investigation forms of all officers, directors and agents of the non-profit corporation and gambling structure, not currently licensed by the Commission; and the irrevocable consent statement on the form provided by the Commission. Except for Section 7 below (see separate instructions), all documents shall be submitted, as a single assemblage, with an original, five copies, and one electronic copy (to be published on the IRGC webpage) of the application, notices and other matters required by Commission rules, to the Commission office, 1300 Des Moines Street, Suite 100, Des Moines, Iowa 50309, **NO LATER THAN 2:00 PM, TUESDAY, SEPTEMBER 3**. In addition, one copy shall be submitted to each Commissioner at his/her address of record on file in the office of the Commission. All applications, notices and other materials shall be verified under oath, and all copies shall be manually signed in ink.

Note: Once applications are submitted, the applicants cannot contact the Commission members. This would not prevent the Commission members from asking questions of the applicants.

Pursuant to the Commission application, the sections are as follows:

- Section 1: Criteria (Executive Summary)
- Section 2: Ownership
- Section 3: Site and Facility
- Section 4: Financing
- Section 5: Gambling Games Operations
- Section 6: Economic, Demographic and Other
- Section 7: Public Safety, Security, and Background Forms (CONFIDENTIAL – submit under separate cover.)

Any gambling structure operator that enters into a gambling games operation agreement or management contract with a qualified sponsoring organization as defined in Section 99F of the Iowa Code may apply to the Commission for a license to operate an approved gambling structure. The operator shall be subject to the same conditions of licensing, statutory provisions and administrative rules as the qualified sponsoring organization. An application submitted by a qualified sponsoring organization in conjunction with a gambling structure operator shall be considered to be one application.

SECTION 1: CRITERIA

EXECUTIVE SUMMARY- PLEASE PREPARE A SUMMARY ADDRESSING EACH SECTION (I-V). SUMMARIES SHOULD BE LIMITED TO APPROXIMATELY 350 WORDS PER SECTION WITH THE COMPLETE EXECUTIVE SUMMARY NOT TO EXCEED 1750 WORDS.

The purpose of this section is to summarize how your application addresses the following specific Commission review criteria. **The various criteria may not have the same importance in each instance, and other factors may present themselves in the consideration of an application for a license.**

- I. Compliance with applicable state and local laws. Explain how the proposed facility is in compliance with applicable state and local laws regarding fire, health, construction, zoning, and other similar matters.
- II. Gaming integrity.
 - a. Explain how the applicant will ensure that gaming is conducted with a high degree of integrity.
 - b. Explain how the applicant and officers, directors, partners, or shareholders of the applicant are of good repute and moral character. The Commission shall decide what weight and effect evidence about an officer, director, partner, or shareholder should have in the determination of whether there is substantial evidence that the individual is not of good reputation and character.
- III. Economic impact and development.
 - a. Project the annual amount of revenue that will be provided by the proposed facility to the state and local communities through direct taxation on its operation and indirect revenues from tourism, ancillary businesses, creation of new industry, and taxes on employees and patrons.
 - b. Project the level of financial and other support the proposed operation will provide to the community in order to improve the quality of life of the residents of the community.
 - c. Explain how the proposed operation is economically viable and properly financed.
 - d. Explain how the proposed operation is beneficial to Iowa tourism.
 - e. Explain how the proposed operation will create and promote quality employment opportunities for Iowans.
 - f. Explain how the proposed operation will promote the development and sale of Iowa products.
 - g. Explain the amount and type of other development and amenities associated with the proposed operation.
 - h. Project the percentage and amount of adjusted gross revenue from out-of-state markets and the stability and reliability of those markets.

- IV. Efficient and safe operation.
 - a. Explain how the proposed facility is planned in a manner that promotes efficient and safe operation of all aspects of the facility.
 - b. Explain how the proposed facility, including, but not limited to, parking facilities, concessions, gaming floor, access to cashier windows, and restrooms, is planned in a manner that promotes efficient, safe, and enjoyable use by patrons.
- V. Community support. Demonstrate support within the community in which the proposed facility is to be located.

SECTION 2: OWNERSHIP

NOTE: All of the information below shall be repeated for the qualified sponsoring organization for the areas that are applicable.

Every application to become a license holder shall contain the following ownership and management information:

I. State the name of the applicant and indicate whether it is an individual, firm, association, partnership or corporation. List trade names used by the applicant.

II. State the following information for the applicant. If the applicant has a parent corporation, the same information must be submitted both for the parent and applicant corporation:

A. State the year in which the applicant was organized, the form of organization and the state laws under which it was organized. Attach a certified copy of the articles of incorporation, amendments and by-laws as an exhibit. Future changes to these documents shall be filed with the Commission. Annual reports must also be submitted to the Commission.

B. State the classes of capital stock authorized, the amount authorized, and the amount outstanding as of no more than fifteen days prior to the date of filing of the application. State the amount of dividends paid to stockholders during the five years immediately preceding the application.

C. State the name and address of each person or entity who owns, of record or beneficially, one or more shares of any class of capital stock or an option or conditional interest in applicant. This can be indicated in columnar forms providing for name and address, class of stock owned, type of ownership whether of record or beneficial, amount owned, and percent of the class of stock.

D. Describe briefly the terms of any voting trust in which any of the capital stock is held and the name, address, class of stock and number of shares of stock for all stock held in said voting trust.

E. Describe briefly the terms of any proxy by which any of the capital stock is held, the holder of the proxy and the name, address, class of stock and number of shares of stock for all stock held by said proxy.

F. State whether five percent or more of the applicant's assets, or five percent or more of any stockholders' stock, is encumbered by any long term debt. Explain fully, by stating

names and addresses of parties holding security interests or promissory notes from the applicant and the stockholders, where any stock is pledged as security, and outline the terms of the agreements creating the security interest.

G. Outline briefly the dividend rights, voting rights, liquidation rights, preemptive rights, conversion rights, and redemption provisions. If the rights of holders of such stock may be modified other than by vote a majority or more of the shares outstanding voting as a class, so state and explain briefly.

H. If the applicant was organized as a corporation within the past five years, furnish the following information: the names of the promoters; the nature and amount of anything of value received or to be received by each promoter directly or indirectly from the applicant; and the nature and amount of any assets, services or other consideration received therefore or to be received by the applicant.

I. List the names of all directors and officers of the entity and all persons chosen to become directors or officers. Indicate all positions and offices held by each person named during the past five years.

J. List all parent companies of the applicant showing the basis of control and as to each parent, the percentage of voting securities owned, or other basis of control.

K. List names of partners and percentage of ownership.

III. Leased Facilities. If any applicant for a license will lease the building or land of a gambling structure from another entity, the lessor shall be required to provide the same information required by this application including copies of all leases, agreements and contracts of any nature between the lessor entity and the applicant.

IV. State if the applicant, or its directors, officers, policy-making manager or principal stockholders have owned an interest in any firm, partnership, association or corporation previously licensed by the Commission, is now engaged in the business of operating a casino or pari-mutuel track in or outside of the State of Iowa or has previously owned an interest in a casino or pari-mutuel track in or outside of the state of Iowa. If yes, explain.

V. Non-profit applicant must submit verification of its status as a qualified sponsoring organization required by Iowa Code Section 99F.1.

SECTION 3: SITE AND FACILITY

Every application to become a license holder shall contain the following information about the licensed site and facility.

I. Describe the arrangement with the qualified sponsoring organization. Include as an exhibit, any required agreements or assignments. NOTE: Effective July 1, 2004, Iowa Code Section 99F.5, subsection 1 was amended as follows: [“An operating agreement entered into on or after the effective date of this section of this Act between a qualified sponsoring organization and an operator shall provide for a minimum distribution by the qualified sponsoring organization for educational, civic, public, charitable, patriotic, or religious uses as defined in section 99B.7, subsection 3, paragraph “b”, that averages at least three percent of the adjusted gross receipts for each license year.”]

II. State the municipality of the gambling structure.

III. Provide the legal description of the site and local address of the site. Include as an exhibit, a site plan. If the property will be held by anyone other than the applicant, give the names and addresses of the title holders to the real property as well as names and addresses of all persons holding mortgages or other security interests in the property.

IV. State whether the gambling structure and related facilities above have been determined to have adequate sewage treatment, water, electrical services and the basis for the determination.

V. State the number of miles from the nearest population center, and describe briefly the transportation facilities serving that population’s center.

VI. Describe proposed site facilities, indicating maximum occupancies. Include as exhibits, architect’s plans or renderings showing details, including floor plans, of any proposed construction.

VII. Describe the types of public access to the site and parking facilities; provide details on access from perimeter local, state or federal roadways. Provide a street map of the area to include railroad crossings.

VIII. Describe office space and parking for use by the Commission and the Division of Criminal Investigation. Provide a detailed floor plan of the office space.

IX. Describe the arrangements for contracting food and drink, entertainment, or other concessions, indicating the names and addresses of concessionaires and the terms of the concession contracts.

X. Describe the gambling structure and gaming floor indicating maximum occupancy. Include as exhibits, architect’s plans or renderings showing details, including floor plans showing the

location of slot machines and table games. Also show the location of the cashier cages within the gaming floor.

XI. Describe the physical location, size and floor plan of the section reserved for the promotion and sale of arts, crafts and gifts native to Iowa.

XII. State the total estimated cost of construction of the gambling structure and related facilities proposed by this application; please distinguish between known fixed costs and projections and, in doing so, separately identify:

- A. Facility design expense;
- B. Land acquisition costs;
- C. Site preparation costs;
- D. Facility construction cost;
- E. Equipment acquisition costs; (specifically detailing cost of gaming equipment)
- F. Organization, administrative and legal expenses.

XIII. Set forth the construction schedule you propose for completion of your gambling structure and related facilities; include therein an estimated date of project completion.

XIV. Identify and attach as exhibits, copies of contracts by and between applicant and the following construction personnel:

- A. Architect or other design professional
- B. Project engineer
- C. Construction engineer
- D. Contractor(s), subcontractor(s) and builder(s), if ascertainable at the date of application
- E. Equipment procurement personnel, if ascertainable at the date of application
- F. Contractor for surveillance equipment

Attach copies of performance bonds obtained in connection with the construction personnel. Indicate any “no strike, no lockout” clauses included in these contracts.

SECTION 4: FINANCING

Attach as exhibits, balance sheets and profit and loss statements for each of the three fiscal years immediately preceding the application, or for the period of organization if less than three years. If the applicant has not completed a full fiscal year since its organization or if it acquires or is to acquire the majority of its assets from a predecessor within the current fiscal year, the financial information shall be given for the current fiscal year. Balance sheets, profit and loss statements, and all other financial statements required herein shall be prepared, audited and certified by independent, certified public accountants in accordance with generally accepted accounting principles. Any report containing exceptions of a material nature will not be considered to be certified.

I. State all current loans by applicant and describe fully the name of the borrower, amount of the loan, collateral, and terms. State the nature, amount and circumstances of any loan defaults or loan covenant violations by the applicant or any of its subsidiaries or parent company during the past three years.

II. Briefly describe any pending legal proceedings to which the applicant or any of its subsidiaries or parent corporation is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted and the principal parties thereto, and a brief description of the facts related to the legal proceeding.

III. State the source or sources of funds for the acquisition of the gambling structure and related facilities proposed by this application; please identify and document:

- a. Each source of equity contribution and the amount of such contribution;
- b. The present commitment, if any, received for each funding source;
- c. Each source of debt contribution and the amount of such contribution anticipated or actual terms and conditions of such loans. Include any short term construction or start up financing that will be replaced by longer term financing;
- d. The present commitment, if any, received for such financing; and

provide a concise and audited financial statement reflecting applicant's current assets, including investments in affiliated companies, loans and advances receivable, fixed assets, and current liabilities, including loans and advances payable, long-term debt and shareholders' equity.

SECTION 5: GAMBLING GAMES OPERATIONS

Every application to become a license holder shall contain the following information about casino operations: NOTE: Gambling games, internal controls, and rules of the games must be filed with and approved by the administrator or administrator's designee prior to the initiation of gaming operations.

- I. Provide your proposed schedule for days and hours of operation.
- II. Indicate the types of gambling games to be operated.
- III. List the proposed officers and management personnel responsible for operation of the facility and submit brief resume(s) on person(s) not currently licensed by the Commission.
- IV. Provide financial projections reflecting the first five years of operation including projected gaming revenue, gaming taxes paid, wage and benefit payments to the license holder and community organizations, the amount of capital expenditures and debt service.
- V. Provide proof that applicant is able to obtain a bond as required by Iowa Code Section 99F.8.

SECTION 6: ECONOMIC, DEMOGRAPHIC AND MISCELLANEOUS INFORMATION

I. Indicate the opposition or support from area residents and the effect on the economic outlook for the proposed project.

II. Indicate the potential number of people who will be employed and indicate how many are projected to be Iowa residents. (Iowa Code Section 99F.7, subsection 6a)

III. State in detail what effect the competition from other casinos will have on the availability of casino personnel. Describe training programs for new employees.

IV. Indicate the wage scale for each job class of employee on the gambling structure and related facilities. Describe how this pay scale will comply with the requirement that pay shall be 25% above federal minimum wage requirements. (Iowa Code Section 99F.7, subsection 7)

V. Describe procurement policies that emphasize the utilization of Iowa resources, goods and services in the operation of the gambling structure. (Iowa Code Section 99F.7, subsection 5)

VI. Show evidence describing your efforts to cooperate with the Iowa Department of Economic Development to promote tourism throughout Iowa. Describe specific plans and resources to be devoted to such promotion. (Iowa Code Section 99F.6, subsection 5)

VII. Describe resources that will be devoted to the recognition of problem gambling and efforts to coordinate these activities with the Iowa Department of Health, Gambling Treatment Program. (Iowa Code Section 99D.7, subsection 22)

SECTION 7: PUBLIC SAFETY/SECURITY/BACKGROUNDS FORMS

CONFIDENTIAL SECTION - SUBMIT ONE ORIGINAL AND TWO COPIES OF YOUR RESPONSE TO PART I AND II AND ONLY ONE ORIGINAL OF YOUR RESPONSE TO PART III UNDER SEPARATE COVER TO THE COMMISSION OFFICE FOR TRANSMITTAL TO THE DEPARTMENT OF PUBLIC SAFETY, DIVISION OF CRIMINAL INVESTIGATION (DCI).

Each applicant for a gambling structure license shall submit a casino security plan that encompasses parts I and II below, however the applicant is encouraged to submit any supplementary information regarding the security plan.

I. Describe the type of radio equipment to be used and its compatibility with Department of Public Safety equipment and other law enforcement agencies. Describe the type of radio equipment supplied to the DCI and the commission for communication with internal radio equipment used by all departments.

II. State the availability of fire protection and adequacy of law enforcement and police protection, and describe the emergency preparedness plan.

A. Personnel

1. Are security personnel direct or contractual employees? (If they are contractual, give a complete description of company, including expertise in casino security.)
2. Complete table of organization of security force.
3. Complete job description of entire security force.
4. Has the security force been trained?
 - a. Describe the level of training.
 - b. Submit gaming enforcement training program if applicable.
5. Is security force bonded?

B. Submit a complete security plan, including:

1. Gambling structure and adjacent facilities
2. Cash room
3. Vault
4. Money transfer
5. Gaming floor
6. Coordination between facility and local police/DCI
7. Video monitoring equipment
8. Alarms
9. Parking lot
10. Emergency procedures
11. Expulsion rules
12. Description of security
13. Policy and procedures for admittance of people to the various areas of the

facility

14. Traffic control
15. Surveillance equipment - type and placement on the gaming floor
16. Chips, tokens

C. Submit fire safety rules/regulations and complete fire safety policy of the gambling structure to include:

1. Standard operating procedure safeguards to ensure fire safety in all areas of the facility
2. Electrical safety and devices
3. Inspection
4. Smoking
5. Casino
6. Administrative offices
7. Fire fighting equipment
8. Coordination between facility and local fire department

III. Submit all required Division of Criminal Investigation Background Application forms and fingerprint cards for the applicant entity, officers, directors, agents and members/principal equity holders of the proposed qualified sponsoring organization and gambling structure operator. Background application forms are not required for entities and persons currently licensed by the Commission.